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# GAIN Report

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## Ukraine

### Grain and Feed

### Winter Wheat Area Drops 19%

**2006**

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**Report Highlights:**

Dry weather in Fall 2005 resulted in a 19% reduction in winter wheat and 43% drop in rye areas as compared with the previous year. Although, the area under barley and rapeseed increased despite soil dryness. After poor emergence in late September-October 2005, the condition of winter grains improved significantly. However, crop conditions even after the improvement remains worse than in MY 2003/2004 and 2004/2005.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Kiev [UP1]  
[UP]

## Executive Summary

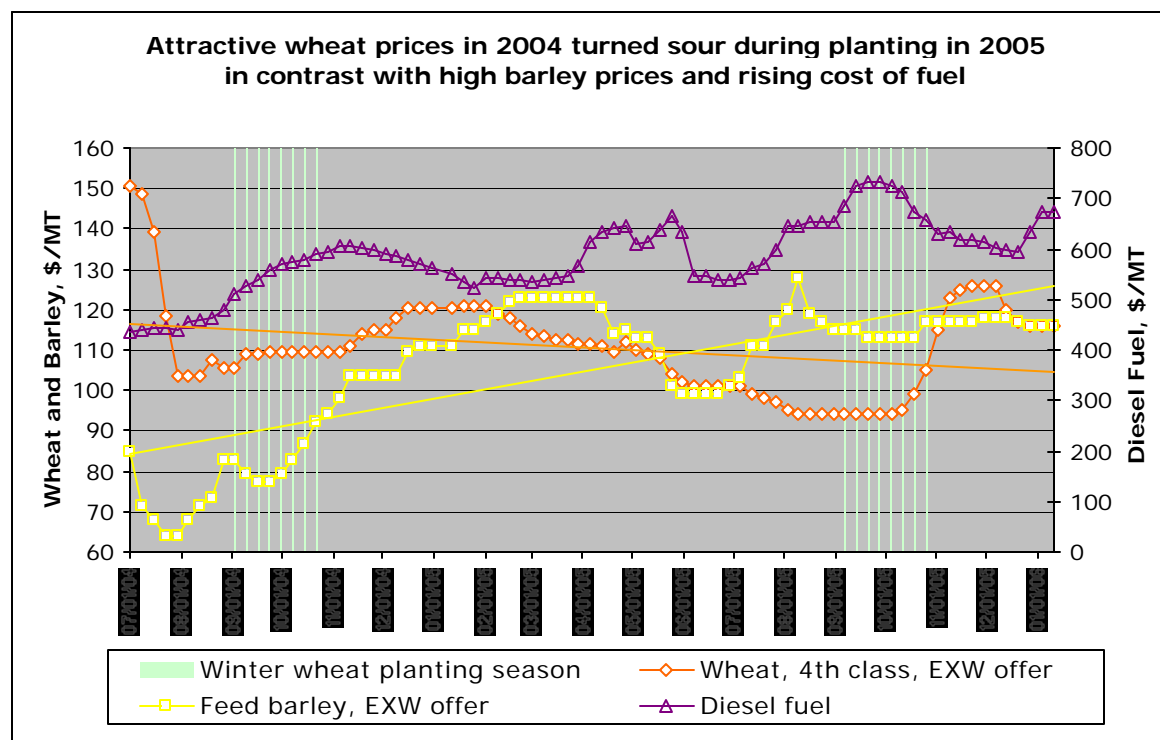
Ukrainian farmers reduced plantings of winter wheat and rye in fall 2005 (to be harvested in 2006) in response to dry weather and low crop prices at the time of planting. Reduced winter wheat and rye areas were not offset by increased plantings of barley and rapeseed in 2005. Approximately 1.4 million more hectares of land will be available for spring crops in 2006 as compared with 2005. Most likely, farmers will increase plantings of spring barley, sunflower seed, soybeans, corn and spring wheat in 2006. However, doubts exist if they will be able to fully compensate for the reduction in winter wheat plantings.

Unusual dryness not only caused a significant reduction in sown area, but also resulted in poor winter grain establishment. Although precipitation and warm weather in November – December 2005, helped to improve winter crop establishment, crop condition remains significantly worse than during the previous two marketing years.

## Prices as cost affected farmers' planting decisions

While soil moisture, availability of seeds and other traditional factors affecting planting decisions continue to be important in Ukraine, farmers paid more attention to economic factors like commodity, diesel fuel and mineral fertilizer prices when they were planting winter grains in 2005. Milling wheat prices were lower than feed barley prices in September-October 2005. The price of wheat also decreased by \$15 MT in September-October 2005 compared with the same period last year (see the graph below).

Attractive barley and rapeseed prices seemed to outweigh soil dryness factors in all major production regions and resulted in significant increases in areas planted with these two crops in 2005. The increasing cost of diesel fuel and mineral fertilizer reduced wheat attractiveness to farmers, compared to other alternative crops, at the time of winter grain planting.



Prepared by FAS-Kiev based on information from APK-Inform and Ukragroconsult

The tables below illustrate changes in winter crop area in 2005 as compared with the previous year.

### Winter Crops Planting in Ukraine in 2005, (1,000 hectares)

	All types of farms			Commercial farms			Private Households		
	2004	2005	Change, %	2004	2005	Change, %	2004	2005	Change, %
<b>Winter Crops Planted for Grain and Green Feed</b>	<b>7,626</b>	<b>6,194</b>	<b>-18.8%</b>	<b>6,295</b>	<b>5,126</b>	<b>-18.6%</b>	<b>1,332</b>	<b>1,068</b>	<b>-19.8%</b>
including winter grains for grain:	7,460	6,059	-18.8%	6,136	4,997	-18.6%	1,324	1,062	-19.8%
Wheat	6,319	5,139	-18.7%	5,203	4,269	-17.9%	1,116	870	-22.1%
Rye	661	380	-42.5%	552	289	-47.6%	110	91	-17.1%
Barley	478	539	12.8%	381	438	15.0%	97	101	4.1%
including winter grains for green feed	166	135	-19.0%	159	129	-18.4%	8	5	-30.8%
Winter rapeseed (as oilseed, not for green feed)	148	418	182.9%	147	415	182.4%	1	3	255.6%

Data Source: State Statistics Committee of Ukraine

### Regional Break Down of the Areas Planted With Major Winter Crops

Region (Oblast)	Winter Wheat			Winter Rye			Winter Barley			Winter Rapeseed		
	2004	2005	Change	2004	2005	Change	2004	2005	Change	2004	2005	Change
Crimea Autonomous Republic	359	295	-18%	3	1	-72%	93	99	6%	6	16	179%
Vinnitsa	289	228	-21%	15	8	-46%	16	20	23%	12	40	234%
Volyn	127	117	-8%	64	47	-27%	0	0	100%	3	8	185%
Dnipropetrovsk	388	345	-11%	9	3	-60%	10	21	103%	2	13	694%
Donetsk	381	354	-7%	9	6	-33%	7	6	-19%	0	0	300%
Zhytomyr	112	91	-19%	92	61	-34%	0	1	67%	3	16	475%
Zakarpattia	30	29	-3%	1	1	-50%	6	6	0%	0	0	100%
Zaporizhzhya	383	287	-25%	5	2	-59%	10	13	21%	3	6	119%
Ivono-Frankivsk	56	40	-29%	10	5	-48%	3	2	-23%	4	5	21%
Kyiv	232	204	-12%	37	17	-54%	0	1	75%	7	28	282%
Kirovograd	322	284	-12%	9	4	-60%	11	19	68%	5	21	310%
Luhansk	264	236	-10%	13	8	-40%	1	1	75%	1	1	30%
Lviv	135	121	-10%	25	18	-27%	3	3	0%	7	12	62%
Mykolaiyv	441	322	-27%	4	4	-19%	86	112	31%	5	21	287%
Odesa	522	429	-18%	7	3	-62%	189	193	2%	19	45	142%
Poltava	290	235	-19%	24	13	-48%	1	2	31%	6	20	247%
Rivne	99	82	-18%	56	37	-33%	1	1	43%	6	16	166%
Sumy	184	143	-22%	45	24	-47%	-	-		1	7	454%
Ternopil	188	143	-24%	14	8	-47%	3	3	-15%	18	26	43%
Kharkiv	387	372	-4%	12	6	-50%	1	2	167%	0	4	900%
Kherson	486	269	-45%	12	4	-63%	20	21	3%	10	31	208%
Khmelnitskiy	254	168	-34%	33	18	-47%	4	4	-12%	16	35	115%
Cherkasy	206	186	-10%	12	6	-53%	3	5	58%	9	31	245%
Chernivtsy	48	33	-31%	2	1	-30%	7	6	-13%	1	2	163%
Chernihiv	136	127	-7%	150	77	-48%	-	-		4	16	257%
<b>UKRAINE TOTAL</b>	<b>6319</b>	<b>5139</b>	<b>-19%</b>	<b>661</b>	<b>380</b>	<b>-43%</b>	<b>478</b>	<b>539</b>	<b>13%</b>	<b>148</b>	<b>418</b>	<b>183%</b>

Data Source: State Statistics Committee of Ukraine

### Winter Grain Conditions

For weather related conditions during winter crop planting season, please read the article entitled "[Ukraine: Dryness Hampers Winter Grain Planting](#)" prepared by FAS' Production Estimates and Crop Assessment Division.

Currently, winter wheat is dormant in Ukraine. Precipitation and warm weather in November and the first part of December 2005 facilitated improvement of winter crop conditions, especially in Southern Ukraine. However, winter grain conditions this year remains significantly worse than during the previous two marketing years:

Condition	2003/2004	2004/2005	2005/2006
Good	57%	69%	28%
Satisfactory	34 %	28%	34%
Weak and poor	9%	3%	37%

Source: *Ukragroconsult Market Weekly Reports (December –January issues)*